

MINUTES
BOARD OF TRUSTEES MEETING

Crowne Plaza Hotel
27 North 27th Street
Billings, MT 59101
Thursday, September 28, 2006

In attendance were Montana Historical Society Board of Trustees members Jim Court, Tom Foor, Shirley Groff, Bill Holt, George Horse Capture, Kent Kleinkopf, Katherine Lee, Jack Lepley, Sharon Lincoln, Steve Lozar, Jim Murry, Tom Nygard, Lee Rostad, Crystal Wong Shors and Jim Utterback. Also in attendance were MHS Director Richard Sims, MHS Centralized Services Manager Denise King, MHS Publications Program Manager Molly Holz, MHS Research Center Program Manager Molly Kruckenberg, MHS Director of Museum Services Susan Near, MHS Fiscal Officer Beth Campbell, MHS Public Information Officer Tom Cook, MHS Administrative Officer Gena Ashmore, Montana History Foundation Executive Director Amy Sullivan, and Friends of the Society President Marge Jacobson. Also addressing the Board was MHS Historical Specialist Martha Kohl and Shannon Cruz, a member of the public.

CALL TO ORDER

President Sharon Lincoln called the meeting to order at 1:30 p.m. Sharon asked George Horse Capture to give a blessing. Sharon also asked the Board members to introduce themselves and for everyone in the audience to do the same.

REVIEW OF MINUTES

Jim Murry moved to approve the minutes from the July 20, 2006 meeting, Lee Rostad seconded, all voted in favor, and the motion passed.

FINANCIAL REVIEW

Kent Kleinkopf requested that Denise King introduce herself and give a brief history of her background. Beth Campbell gave the Financial Review, which was the completed report for Fiscal Year 2006. **Jim Utterback moved to accept the Financial Review, Kent Kleinkopf seconded, all voted in favor, and the motion passed.**

Beth handed out the 2006-2007 Appropriation Authority By Program and Fiscal Year End report, which is the Society's two-year funding. General Fund or Accommodation Tax are fully funded for the amount appropriated by the legislature. All other funds have an appropriation amount designated by the legislature, but the amount the Society can actually spend is based on the revenue received by the agency. It is possible to spend only up to the amount of revenue we have on hand; if we do not have that money coming in, we can not spend the appropriated amount. Just under 50% of the Society's funding comes from General Fund. Katherine Lee asked how long the Society will receive the Lewis & Clark license plate revenue, and Beth answered that we will continue to receive it as long as the license plates are sold. We share this revenue with two other organizations. Bill Holt added that we need to market the license plates, or sales will fall off as the bicentennial celebration is winding down.

Kent Kleinkopf reported on the Finance Committee meeting. He requested that Beth report on the indirect costs situation the Society is facing. State law mandates that if an agency receives funding from other sources, such as Federal funding, indirect costs are taken from that funding by the agency. The current rate for the Society is just over 33%. The program most impacted by indirect costs is the State Historic Preservation Office (SHPO). SHPO receives \$600,000 per year from the Federal government to fund its program. At the current rate, the Society would take one third of SHPO's funding, and it would be recorded in SABHRS as a General Fund entry inaccessible by the Society. The Federal government caps what it will pay for indirect costs at 25%. For the past couple of years the Society has not charged SHPO the full amount of the indirect costs, which resulted in an undercharge in FY2005 of \$55,000 and in FY2006 of about \$114,000. The Society is out of compliance with State law per the Legislative Audit for this undercharge. At this point SHPO could be facing a budget cut of approximately \$200,000, which is equivalent to two FTE's, as well as part of the program costs. In the next few weeks Denise will be looking at what can be done to revise the indirect cost amount and minimize the impact.

Tom Foor asked how the indirect percentage is established, and Beth replied that there is criteria set by the Federal government that helps the agency establish its indirect percent, and the Society reevaluates this amount on a yearly basis. Every two years the Society undergoes a legislative audit. The auditors look at different areas and different programs each time, and this time they honed in on our indirect costs. Richard Sims added that the legislative audit had eight findings, and this is the only systemic problem that we have; the other seven can easily be fixed. We have two options to backfill the \$200,000: seek more money from the General Fund or seek more money from the Accommodations Tax (Bed Tax). Indirect costs seriously challenge one of our major programs.

RESEARCH CENTER PROGRAM REPORT

Molly Kruckenberg gave an update on the David Thompson Bicentennial. David Thompson was an explorer, cartographer, and fur trader who spent most of his time in western Canada and the Pacific Northwest but did come into the northwest corner of Montana. A U.S. and Canadian committee has been established to form the events for this Bicentennial, and Rich Aarstad is the Society's representative on the U.S. executive committee. The Society will host the second annual David Thompson symposium, which will be held in June 2007 in Helena and will include a planning meeting as well as a one-day conference about David Thompson with a workshop for educators. Kent Kleinkopf asked where the funding for this committee comes from. The U.S. side of the committee receives funding from the organizations that are involved. For example, the Idaho Historical Society and the Montana Historical Society are providing some money and the US Army Corps of Engineers will pay for some speakers. Each state involved will host the conference once or twice throughout the Bicentennial period.

The Research Center has been adding digital content to the Society's webpage through the Montana Shared Catalog and the Digital Archives. A handout was provided in the Board packet to show how to find this digitized material on the Montana Shared Catalog.

MUSEUM DEACCESSION

Sharon Lincoln introduced Shannon Cruz who is the great-great granddaughter of James Williams, the Captain of the Vigilantes. A plaque in the Capitol that commemorated the names and deeds of Williams and the Vigilantes was taken down during the renovation of the Capitol and was not put back up when the renovation was completed. The Society's recommendation is that the plaque be placed in Virginia City where the Vigilantes played an important role in the history in Montana.

Ms. Cruz introduced herself and said that her family is requesting that the Williams plaque be placed back into the Capitol. The plaque hung in the Capitol for 94 years, but was removed in 1999 during the renovation. The plaque was then hung in the Secretary of State's Office for a number of years, and was subsequently lost. The plaque was eventually found in a storage area of the Secretary of State's office. Ms. Cruz requested that the Board of Trustees send a letter of recommendation to the Capitol Complex Advisory Council asking that the plaque be put back into the Capitol. Ms. Cruz said that Richard Sims had suggested that a celebration be held when the plaque is put back on display as it will be 100 years old. Richard clarified that he meant that the celebration should be held in Virginia City.

Bill Holt stated that he is on the Capitol Restoration Board, and when a decision is made, it is done. Bill felt that the plaque should go to Virginia City because that is where the Vigilantes started, and Virginia City is a State park. Sharon read part of a letter from the Governor regarding the removal of the various plaques after the restoration. Steve Lozar was not sure where the plaque should go, but he hoped the decision is not based on an issue of being politically correct. The Vigilantes were a part of Montana history and this history should not be lessened in any way regardless of the outlook on the Vigilantes. It is Steve's concern that history always be shown in its own light. Jim Court felt that Virginia City does seem the most appropriate place, or perhaps if we have space in the new museum, we can display some of the displaced plaques there.

Jim Utterback moved to accept the staff recommendation to deaccession the plaque to Virginia City, Bill Holt seconded, 14 voted in favor, 1 opposed, and the motion passed.

Richard said that he would still like to work with the family of James Williams and find an appropriate Virginia City event to have a celebration of the plaque.

MUSEUM AND EDUCATION PROGRAM REPORT & ACTION ITEMS

Western Rendezvous of Art

Susan Near handed out material regarding the Western Rendezvous of Art. Planning for the Rendezvous is conducted year round, and this planning will begin in October starting with fundraising and sponsorships. Support for the 2006 Rendezvous brought in \$34,000 in cash and \$19,000 in-kind (\$53,000 total) to the Society, which is the most ever raised prior to the event. At the event, the Quick Draw raised \$64,000, the instant collections raised \$36,000 (those proceeds go directly back to the artists), and the art show raised \$317,200, which could go up

based on a few pending sales. These proceeds, after expenses, will be split with the Helena Civic Center. The night before the Rendezvous began a barbeque was held at the museum with a sneak preview of the Neither Empty Nor Unknown exhibit featuring the artists who worked on the exhibit. Attendance at the Rendezvous was very good, with all-event tickets and the Quick Draw sold out, and attendance was either at or near maximum capacity for all of the events.

History Conference

At the time of the Board meeting, there were 107 registered guests, and approximately 170 total registered including staff and speakers for the History Conference. Last year the conference had approximately 60 registered guests. Sharon said that the Executive Committee discussed the fact that money is consistently being lost on the History Conference. The process needs to be rethought as we keep struggling for money, and the whole concept needs to be revisited. Richard said that this year he invited any Society staff that was interested to attend the conference.

Neither Empty Nor Unknown Exhibit Update

Neither Empty Nor Unknown, a major 4,600 square feet long-term exhibit, opened on September 21. This exhibit is a departure from what the Museum's normal exhibits are, and there was a lot of participation with the Indian Advisory Panel and tribal members around Montana and beyond. Many murals and reproduction artifacts were commissioned. The Indian Advisory Panel members and the general public have filled out critiques, and the museum staff will look through these to make sure the exhibit is people friendly and the constant concepts are coming across. Neither Empty Nor Unknown focuses on Montana, what Lewis & Clark saw and the presence of many different cultures that existed and thrived in Montana at the time.

Two-hundred and seventy people attended the opening event on Thursday evening, over 1,000 school children attended the American Indian Heritage Days on Friday, and over 700 people came to Family and Friends Day on Saturday.

Susan passed out information regarding sources of funding and in-kind donations that were received for the exhibit. Concepts for the exhibit began in 2002, and the budget that was developed was \$500,000. The bottom line that we have received to date is \$511,201 which does not include staff time. We received two large grants from the Lewis & Clark National Historic Trail (National Park Service) to cover (1) exhibit supplies and materials and (2) the opening ceremonies and programs, and educational resources such as guided tours, curriculum development, footlockers, and brochures. Most of the internal allocations came from Bed Tax. We will be working on forms to solicit visitor evaluations of the exhibit.

Steve Lozar applauded the whole effort on behalf of the Salish-Kootenai tribes. George Oberst and the rest of the staff showed real sensitivity to the Indian concerns. Steve also applauded the accuracy of the exhibit interpretation, which is key. It is terrific when we can network with other organizations, and in this case, there was a real network between the Montana Historical Society and the Salish-Kootenai tribes, specifically with The People's Center. The People's Center strives to tell the Salish-Kootenai story, but also to be interlocked with the societies around Montana, which came to fruition on this project.

Kent Kleinkopf asked Steve if there had been any effort to bring schools or busloads of people from the Polson area to see the exhibit. Steve answered that there has not been an effort at this time, but that could be something for the future. About 800 Salish-Kootenai school children are going to be a part of a living sculpture of Big Medicine the first Friday of October, and Steve invited the Trustees to come view this living sculpture.

Jim Murry commented that he enjoyed the exhibit opening, and everyone he talked with was wildly excited about the exhibit. Tom Cook added that this will give the Society a tremendous tool moving into the next year, which will be a centerpiece to recruit new members. George Horse Capture said that the exhibit has elements that could be used to keep the momentum going. The Society should find a sponsor to fund a reporter from a place such as Denver to cover the exhibit. The local people will eventually become tired of the exhibit, so the Society needs to widen its circle; it will be a constant effort to keep the excitement of the exhibit going.

PUBLICATIONS PROGRAM REPORT

Molly Holz announced the arrival of the new Copper Chorus book, the first comprehensive history of the Anaconda Company's ownership of Montana's newspapers. The book's theme is a central tenant in Montana's history, but also has a national tie-in as a study of what happens when there is corporate consolidation of media and news. The Trustees can help to sell the book by reading it and telling friends and local newspapers about the book. The author, Dennis Swibold, is a professor of journalism at the University of Montana, and has been a daily newspaper editor. He has colleagues across the country, so hopefully his experience and contacts will lead to more sales. We will be sending out postcards about the book and have been advertising in *Montana The Magazine of Western History*. This book costs \$24.95 for the soft-cover and \$39.95 for the hard-cover. We are proud that the book is printed on 100% recycled paper, which means a savings of trees, water, electricity, and we are preventing chlorine from being released into the environment.

The Press is proceeding with the Place Names book. Research Center staff has been extremely helpful with this project. The book will be approximately 320 pages in length and contain 60 photographs. We are shooting for a release date of April 2007. The State Library is collaborating with the Research Center and Publications to put those entries on-line so that the information can be accessed through the Society's website. The book is being targeted as both a reference book and travel guide, so we will also try to work with the State Highway Department. We would like to print the map on water-resistant, tear-resistant paper.

George Horse Capture asked if the Roberta Chaney book had been consulted. Molly Kruckenberg answered that the Chaney book had been consulted, but that this book will be an expanded version of that one. It will include geographic features and historic sites as well as National Register sites.

The Fall magazine is at the printer and should be in mailboxes in a couple weeks.

Sharon Lincoln will be addressing the Yellowstone County Historical Society in October, and she asked Molly Holz to do a brief synopsis of the different publications. Crystal Shors asked who distributes our books, and Molly Holz responded that the distributor is Globe – Pequot Press. Up until 2002 it was Falcon Press, but Globe bought Falcon. Globe will get the Place Names book to travel stops, gas stations, and places where people travel. The books are also available at the Society store, and Molly encouraged the Trustees to shop there. Shirley Groff also asked for a synopsis of the different publications as she puts out a newsletter to about 5,000 people with the Sons & Daughters of Montana Pioneers, and she tries in every newsletter to write something about the Society. Lee Rostad commended Molly on the wonderful job she has been doing and said the magazine gets better each time.

STATE HISTORIC PRESERVATION OFFICE PROGRAM REPORT

Richard Sims provided the SHPO update on behalf of Mark Baumler. Richard gave an update on the Preserve America Community Grants, Barn Restoration Grants, and the National Register GIS Proposal as listed in the Quarterly Report.

DIRECTOR'S QUARTERLY REPORT & ACTION ITEMS

Textbook

Martha Kohl gave an update on the textbook project. No one person can fill Dave Walter's shoes, but collectively everyone can work together to do that. The professional writer for the textbook is Krys Holmes. There is also a teacher panel and specialists in each area to review the chapters. The timeline has been extended by one year. Twenty of twenty-five chapters are drafted, and Krys and Martha met with Professor Bob Swartout of Carroll College to outline the last chapters of the book. The outline will be given to Society staff members, other professors, people at Indian Education for All, Native American Studies Department at MSU, and Mary Murphy so that they can add examples and comments. Kent asked Martha to provide the Board with a copy of the outline as well. Martha is creating a marketing plan for the textbook, and she will meet with A to Z Curriculum Directors to discuss how to get books into schools. Lee Rostad asked about the funding to finish the project. On a bare-bones budget the book will make it all the way to print. There is no funding for promotion and marketing of the textbook at this time, which is an important component. Kent asked what kind of coordination or liaison has been made with Office of Public Instruction (OPI). OPI cannot endorse textbooks, but they will do everything possible to let everyone know about this textbook.

Senate Art

Gena Ashmore gave an update on Senate Art. At the end of October the artist, Eugene Daub, will be traveling to Kalispell to inspect the monument. Once the monument is approved, the foundry will patina the artwork and ship it to Helena. Gena went before the Legislative Council in September to ask for money for installation, lighting and/or the dedication ceremony, and she was basically told "good luck." Once all of the maquettes are sold, the project should break even. The sales have slowed down considerably, but Hal Stearns is still working hard on selling them. There are 34 maquettes left to sell and about 300 medallions. The installation will occur

around November 1, and the Legislative Council decided on January 3 for the dedication ceremony after the new legislators are sworn in around noon. After the artist inspects the maquettes, there should be 13 maquettes in stock by the first week of November. Kent felt that there should be some physical representation from the Trustees on the day of the dedication ceremony. Jim Murry, Kent Kleinkopf, Lee Rostad and Sharon Lincoln said they would all make every effort to be there. Jim Murry asked if the Society will go to the legislature to request money for the Senate Art project. Gena answered that the Legislative Council made it very clear that the proposal was sold to the legislature that there would be no tax dollars used for this project.

Membership

Richard Sims reported that the Society is moving the membership program into a new era. Gena is taking a leadership role, and Tom Cook will step up as the newsletter editor. We are planning to go back to a printed newsletter instead of an electronic one. We are also thinking about membership events and programs, and not just in Helena. Gena added that this is the first time there has been a membership table at the History Conference, and we have already sold two new memberships. Richard asked any Trustee that is not a member of the Society to join.

Marketing

Richard reported that the Marketing Committee will be reorganized and retasked under Crystal Wong Shors guidance. The first thing that needs to be done is to hire a part-time (10 hours a week) person. Ads will be placed in newspapers this weekend. Crystal, Richard and a few others will be on the interview committee.

Museum Reaccreditation

Accreditation of the Montana Historical Society by the American Association of Museums occurs every ten years and will be happening for the fourth time this year. The one-year self-study portion begins this fall.

Bed Tax

At the Tourism Advisory Council meeting a subcommittee was tasked by the Governor to come up with a business plan to extend any new bed tax money. Currently about \$400,000 is received through House Bill 2. All of the partners have agreed to share 7 or 8 million dollars of new money. This will be a lobbying endeavor of the coalition.

One-Time-Only Money

There is a budget surplus of \$500,000,000, and Richard has asked the Board Legislative and Executive committees to be a little more ambitious than in the past. The Executive Committee recommends the Board support hiring of an architectural firm. Sharon Lincoln added that it is hard to start looking for a place for the new building without a plan as to what kind of building is needed. The public needs to know that we truly are making the push to get a new building.

Kent Kleinkopf moved that Richard Sims be empowered by the Board to make the request to the appropriate entities, hopefully with the support of the Administration, and report back to the Trustees on a timely basis, Shirley Groff seconded, and discussion followed.

Jim Murry said that we should move ahead as soon as possible. Bill Holt asked if the thought of using the Capital Hill Mall was over. Sharon answered that we are not talking about renovating the mall, but instead looking at land, and the mall is certainly in the mix. Kent said that the purpose of his motion is just for the Board to express that the Director and his chosen committee can proceed with the request for funding for the specific purpose of hiring an architect, and not for land. Tom Nygard said that this will be a wake-up call to the owners of the mall that if the Society is obtaining an architect and pursuing a design, that does not include the mall. Sharon wanted to make sure that everyone was clear on the motion that we are just asking the legislature for one-time-only funds of \$250,000 to pursue hiring an architect so that we can move forward with finding a location for a building. **All voted in favor and the motion passed.**

Staff Retreat

Richard will be facilitating a staff retreat at Carroll College. All MHS staff will be attending as well as the Montana History Foundation staff. This will be a building-free discussion. The main discussion will be on connectivity -- how we can deliver new synergies and connections with the public. Richard will report back to the Trustees, which will hopefully trigger the Trustees to start planning their own retreat. Kent asked if fundraising was part of this retreat, and Richard replied that it is not because we must figure out what we are fundraising for first.

Organization Chart

Gena Ashmore created an organizational chart that shows the breakdown of programs with labor grades. That organizational chart was provided in the Board packets.

Society-wide Performance Review Process

Richard said that the Society will start having an annual staff performance review process. By the end of fiscal year 2007, all staff will be reviewed, and the Board should also review Richard.

Approval of New Society Planning Process

The Society is allocated \$20,000 from the State Budget Office to begin what Richard calls, "Conversations with Montana." Richard will travel the state to visit with people all over Montana. This will run concurrently with the Staff Retreat in that the Society needs to be ready to answer architect questions as to what people want in a new facility. Richard will be asking two questions of the people he meets: "what can the Montana Historical Society bring to your town?" and "when you come to Helena, what do you want to walk into?" Richard requested the Board's approval to allow him to be away from the office several times in the upcoming months to travel around Montana as well as his proposed timeline. **Jim Murry moved that the Board support this project, Kent seconded, all voted in favor, and the motion passed.**

PUBLIC COMMENT

Marge Jacobson presented some of the activities that the Friends of the Society have worked on, including the Western Rendezvous of Art and the opening of the Neither Empty Nor Unknown exhibit. The Christmas decorations and noon lectures will be tied in with the new exhibit. The Friends donated \$100 to the Dave Walter memorial. Three volunteers have passed away recently. Marge thanked everyone for their support for the Friends. Sharon Lincoln thanked Marge and the Friends for doing such a wonderful job.

PRESIDENT'S REPORT

Because the Trustees do not know what is expected of them when they meet with the staff committees, guidelines are needed for these committee meetings. Gena wrote up draft descriptions of the committees. Sharon would like the trustees to try the committees as they are currently listed, but if Trustees serve on a committee once or twice and are not happy with it, let Sharon know. It has also been discussed that Trustees should serve on program committees on a rotational basis. The committees can edit their committee descriptions as necessary.

Sharon said that Richard suggested some changes to the Board Meeting schedule and venues. Richard suggested that the quarterly meetings be held over two days. One day, such as a Thursday, would be for committee meetings in the afternoon followed by dinner featuring a guest speaker. The next day would be for the official Board meeting. Jim Murry asked if the idea was to place more emphasis on committee structure and rely more on committees. Sharon answered that this gives time for the Trustees to get to know the staff and for the staff to get to know the Trustees. It will keep the Trustees more familiar with what goes on at the Society. The following day at the Board meeting the various committees would report to the full board.

Richard said that we are not the Helena Historical Society. The January meeting will stay in Helena because of the legislature, but the other three meetings could be held around the State. Jim Court said that as much as he would like to have meetings around the state, to have the committee meetings with the staff, it makes it virtually economically impossible to take the staff all around the state. Jim felt that it is fine for the Trustees, but to have staff travel to various cities for an afternoon meeting does not make sense. Richard said that not all committees need to meet every Board meeting; perhaps some representatives from each committee would attend on behalf of others. Richard said that he is seeking approval to have Thursday afternoon committee meetings, Friday morning Board meetings, and discover the local resources Friday afternoon and Saturday, if someone wants to linger. **Jim Murry moved that a new Board meeting schedule be adopted and then it can be changed if necessary, Tom Nygard seconded, all voted in favor, and the motion passed.**

Richard asked what cities are strategically good for the meetings. Ideas thrown out were Havre, Lewistown, and Miles City. It should be decided where to hold the next three Board meetings at the meeting in Helena in January. The dates for the Board meeting in January will be January 18 & 19, depending on when we schedule the legislative open house according to the legislative social calendar.

COMMITTEE REPORTS

Jim Murry reported on the Legislative Lobbying committee. Jim has attended many meetings that have involved the Budget Director and Governor's Office. Jim felt that the most effective thing that is being done is moving ahead with "Conversations with Montana." It puts Richard out in the field and gives him a chance to speak with people running for the legislature. It also adds a great opportunity to make the Society visible in these communities before the legislature comes to Helena. There is not a legislative package yet; that will wait until after the elections in November. Sharon requested that Richard keep the Board members informed through email while he is on the road to keep everyone on track.

Jim Murry also said that he would like to see a change in the law regarding the inability of naming buildings after living donors within a ten-mile radius of the Capitol. The Governor's position is that his administration is not going to be "pay to play." It may be possible to name wings or rooms of buildings after living donors. Senator Cooney is looking into changing this law for some other agencies, and the Society should be supportive of this. The other issue is the place-holder legislation which was turned down. Richard is working on that now through the Bed Tax coalition.

MONTANA HISTORY FOUNDATION REPORT

Amy Sullivan said it is very nice to have a new Director on board. A Thomas Judge Memorial fund has been set up at the Foundation. Amy worked with the family to designate that money towards a worthwhile project and the history textbook was chosen. Once all the donations are in, the Foundation will let the Society and the family know the total. The Pension Protection Act was signed by the President, which creates a wonderful opportunity for the Foundation, the Society and the Montana Heritage Commission. This act, called the IRA Charitable Rollover, is only available in 2006-2007. If a person is 70 ½ or older and has an IRA, the IRA can be directly rolled over into a charitable organization. The Foundation will be promoting this opportunity a great deal over the next year. The land under the Scriver Center will be available for purchase in March. The MHF Board would like to form a joint subcommittee with the Trustees to decide how best to handle this situation. Tim Bartz is now the Foundation's past-president, and the new president is Matthew Cohn. Richard asked Amy if the information that she gave in the Foundation Board meeting is relayed to the MHS Board, and Amy said that the information is given to Sharon Lincoln as an ex-officio member of the MHF Board and to Richard Sims as staff.

UNFINISHED BUSINESS/NEW BUSINESS

Sharon Lincoln read a thank you note from former Trustee Judy Cole for the signed book the Board gave to her.

Gena Ashmore informed the Board that Richard Sims requested a map of Montana be hung in the Director's Office with colored push-pins for each program in cities where the Society is doing public outreach. The Board has its own colored push-pins for the map, so please let Gena know whenever you do any presentations or outreach about the Society.

Board of Trustees Meeting
September 28, 2006

ADJOURN

The meeting adjourned at 4:50 p.m.